

The aggregate payments consisted of only 742,334,079 francs (\$143,000,000) in all forms of currency, Including bank-notes, and 4,248,326,374 francs (\$820,000,000) in bills of exchange. The loss in the monetary circulation of France was less than the sum of coin and bank-notes, because some of the banknotes were purchased by exchange in foreign countries and others were German notes which had drifted into France with the German army. The real specie payments were 273,003,058 francs (\$52,600,000) in French gold and 239,291,875 francs (\$46,000,000) in French silver. The essential work of completing the payments was done by the purchase by the government of bills of exchange drawn by Frenchmen upon their credits in every quarter of the world. British bills were the most plentiful upon the Paris market and the heavy purchases of the French government threw much of the monetary stress upon England and compelled the Bank of England to maintain high discount rates all through 1872 and 1873.* ^{ne} purchase by the government of a bill drawn by a French merchant upon an English customer permitted the transmission of the bill to the German government, which could then draw upon London for the gold or simply direct the deposit of the proceeds to their credit in the London Joint Stock Bank, which was their L/ondon agent. If the Frenchman who sold his bill of exchange to the government was a purchaser of the new public loan, the result of the process was the transformation of his claim against his English customer into a claim against his own government.

One of the incidents of this great operation in exchange was the fall in the price .of foreign securities on the Paris market and their flight **to** other countries, where their quotations remained comparatively undisturbed. These influences operated most directly upon what are known on the European exchanges as "international securities,"* because they are known and quoted in the leading markets of the world. The cause of their decline on the Paris market in 1871 was the eagerness of Frenchmen to transfer their capi-

¹ *Gilbart, II.*» 349-